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12 September 1960

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CENTRAL

INTELLIGENCE

BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

I. THE COMMUNIST BLOC

Albania: The first suggestion that the Tirana regime may be coming into line with Moscow in the Sino-Soviet dispute is the ouster of Liri Belishova from her positions as party politburo member and party secretary. According to a 9 September communiqué, the Albanian party central committee acted after hearing a report by politburo member Rita Marko, who recently returned from extensive training in the USSR. Belishova, an ideologist, is probably being used by the regime as a scapegoat for its past espousal of certain of the Chinese Communist viewpoints that figure in the current Sino-Soviet dispute.

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USSR-Mongolia: Khrushchev and Mongolian Premier Tsendenbal signed an agreement in Moscow on 9 September under which the USSR will provide Mongolia a \$150,000,000 development loan on "easy terms." This large technical and economic aid to Mongolia's third Five-Year Plan suggests an effort to reinforce the USSR's long-time dominance in an area where the Chinese Communists--who loaned Mongolia \$50,000,000 in May--have become increasingly active.

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II. ASIA-AFRICA

South Korea: The ruling South Korean Democratic party, which has over two thirds of the seats in the National Assembly but has been split about evenly into factions supporting and opposing Prime Minister Chang Myon, apparently is nearing agreement on a new compromise cabinet, also to be headed by Chang. As a price for cooperation, however, the party faction opposed to Chang is demanding that he recognize it as an independent negotiating group in the assembly. Such an arrangement would allow the faction to retain its position as a potential opposition bloc in future tests of strength.

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Congo: The UN command in the Congo appears to be involved in an all-out effort to establish the authority of Congolese President Kasavubu and set the stage for an early attempt to remove Lumumba from power. Working through Col. Mobutu, the chief of staff and most important figure in the Congolese Army, the UN apparently arranged the surrender of arms on 10 September by the bulk of the 3,000 Congolese troops stationed in the Leopoldville area. In addition, the UN provided the troops with their first pay in two months and announced an order--attributed to the Congolese Army--calling for a general cease-fire throughout the Congo. Plans were revealed for the dispatch of a special UN team to supervise along the borders of separatist Katanga Province the truce which the UN command clearly hopes will result from the cease-fire order. The cease-fire order has been cautiously welcomed by Katanga President Tshombé and his allies in Kasai Province, but has in effect been denounced by Lumumba who stated on 10 September that Congo Army operations would continue in Katanga and Kasai.

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Meanwhile, Kasavubu has transmitted to Hammarskjold an initial list of a new cabinet, headed by moderate leader Joseph Ileo, to replace Lumumba's cabinet, which Kasavubu insists was legally dismissed last week. Efforts apparently are being made by Kasavubu supporters to line up support for the new group, presumably with a view to reversing at a new parliamentary session the endorsement won last week by Lumumba in both houses. Direct action looking to the arrest of Lumumba is also apparently under consideration.

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At the UN, the Security Council is scheduled to resume meeting on the Congo this afternoon.

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III. THE WEST

Dominican Republic: Reacting to the recent OAS decision to impose sanctions on the Dominican Republic, the Trujillo government has called a huge Castro-type rally for 24 September to demonstrate its popular support. The government-controlled radio has also begun warning US businessmen to defend Trujillo from US attacks if they wish to continue doing business in his country. American officials in Ciudad Trujillo see the future of US interests there as "increasingly bleak" as long as Trujillo retains control. Dominican Foreign Minister Herrera Baez is visiting Western Europe in an attempt to counter anticipated trade and shipping boycotts by Western Hemisphere countries.

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El Salvador: The stability of President Lemus' middle-of-the-road regime is under serious strain, although developments of the past few days have lowered tensions somewhat. While the state of siege declared on 5 September continues, Lemus' conciliatory moves have apparently succeeded in reducing the strong public resentment caused by the government's indiscriminate use of force against the Communist-encouraged student demonstration on 2 September. Communist and pro-Castro elements will probably be quick to encourage new demonstrations as opportunity offers, but student leaders seem for the present to be taking a conciliatory line.

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Albanian Political Changes

The 9 September announcement that Albanian politburo member and party secretary Liri Belishova had been relieved of her party functions for committing "grave errors in the party line" is the first indication that the regime may finally be reacting to Soviet insistence that Tirana desist from support of certain Chinese Communist positions. The fact that politburo member Marko, who had recently returned from extended training in the USSR, delivered the report to the central committee suggests that a shift in Albanian propaganda toward a more Soviet orientation is forthcoming.

The Albanian regime, whose propaganda has long differed from Moscow's in the treatment of Yugoslav revisionism, found itself out of step with the Soviet position on key issues affecting bloc unity at the conference of Communist party leaders at Bucharest in June. Since that time, the Albanian leadership has equivocated on giving Soviet policies full support. Albanian party boss Enver Hoxha is the only East European party leader who does not now plan to lead his country's delegation to the UN General Assembly session opening on 20 September. Similarly he was the only East European party leader absent from the Rumanian party congress in June.

Under increasing pressure to conform, the Alganian regime has apparently chosen Belishova as a logical scapegoat for its left-wing deviationism. Belishova is a leading party ideologist, and was one of the three important regime officials who visited China this summer. While she has made statements favorable to the Chinese, so have all Albanian leaders at one time or another. The ouster should set the stage for Tirana to endorse Khrushchev and his policies.

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Soviet Loan to Mongolia

Before he departed for the United Nations meeting, Khrushchev signed an agreement providing Mongolia with over \$150,000,000 in a long-term loan which the Mongolians may repay on "easy terms." Signed on 9 September in Moscow, where Mongolia's Premier Tsedenbal has been "vacationing" for over a month, the agreement also provides for deferring payment on earlier loans and for sending Soviet technicians and workers to help Mongolia implement its Third Five-Year Plan beginning in 1961.

About 10,000 Chinese workers already are in Mongolia, furthering Peiping's effort to expand its influence by aiding Mongolia's nascent industrial and agricultural development. In May, Chou En-lai visited Ulan Bator and loaned the Mongolians \$50,000,000-- bringing to \$115,000,000 the total of Chinese Communist grant and credit assistance since 1956 when Peiping first gave economic assistance to Mongolia. The latest Soviet-Mongolian agreement will bring Soviet aid in the same period of time to well over \$275,000,- 000.

Mongolia is the oldest Soviet satellite and traditionally one of the most obedient. In the past, however, there have been indications that some Mongolian leaders would prefer greater independence and viewed economic ties with Peiping as a hedge against total Soviet domination. Even the Moscow-oriented Tsedenbal showed some reluctance to choose sides in the Sino-Soviet dispute until his visit to the Soviet Union. Then, in mid-August, the official Ulan Bator newspaper published an article endorsing the Soviet position and implicitly criticizing the Chinese. Now, with the large development loan, Moscow seems determined to reinforce its dominance in Mongolia's economy as well as in its political affairs.

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South Korean Premier May Form New Cabinet in Quest
Of Stability

The South Korean Democratic party, which has over two thirds of the seats in the National Assembly but has been split because of personal rivalries into two approximately equal factions supporting and opposing Prime Minister Chang Myon, apparently is nearing agreement on a new compromise cabinet, also to be headed by Chang. Chang's government, inaugurated on 23 August, has controlled through its faction only about 90 seats in the 233-seat Assembly while the faction headed by Kim To-yun has 86.

Four of Chang's 14 ministers submitted their resignations on 7 September to pave the way for bringing representatives of the opposing faction into the cabinet. Further changes may be made to allot five posts to the opposition faction and several to independents. Nominees and assignments have not been decided. Leaders of the opposition faction, who had refused to participate in Chang's government when it was first formed, have changed their position at least tentatively to avoid discontent among their followers as well as in response to public pressures.

A coalition would strengthen Chang's position for the time being and, by drawing the opposing faction into sharing responsibility for government policy, would lessen the threat of a no-confidence move in the Assembly. At the same time, however, as a price for cooperation, the opposition faction is demanding that Chang recognize it as an independent negotiating group within the assembly. Such an arrangement would make it easy for the faction to function as a de facto opposition bloc in future tests of strength.

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The Congo Situation

The UN command in the Congo appears to have embarked on an all-out effort to establish the authority of Congolese President Kasavubu and set the stage for an early attempt by Premier Lumumba's Congolese opponents to remove him from power definitively. This effort apparently has the support of Col. Mobutu, the chief of staff and most important figure in the Congolese Army--control of which will probably prove decisive in determining the outcome of the Kasavubu-Lumumba power struggle. Mobutu, who recently claimed that three quarters of the army was loyal to him, reportedly arranged the surrender of arms by the bulk of the 3,000 Congolese troops stationed in the Leopoldville area. This action took place at a UN-controlled army camp on 10 September. In addition to its virtually certain inspiration of this development, which would seem seriously to undermine Lumumba's position, the UN has provided the troops with the first pay many of them have received in two months.

These moves by the UN command coincided with its announcement of an order--attributed to the Congolese Army--calling for a general cease-fire throughout the Congo and of plans to supervise the execution of the order along the borders of separatist Katanga Province. The cease-fire order has been welcomed "in principle" by Katanga President Tshombé, whose regime Lumumba has vowed to crush, and by Tshombé's ally, Albert Kalonji, the leader of the hard-pressed anti-Lumumba movement in neighboring Kasai Province. Lumumba, on the other hand, denied the validity of the cease-fire order and announced that his troops were continuing to operate "with great success" in Katanga and Kasai. Press reports from Elisabethville, however, indicate that last week's incursions into Katanga from Kivu Province by Congolese Army elements have not yet been followed by any invasion in force.

Meanwhile, Kasavubu and his supporters have pushed ahead with the formation of a new cabinet composed of moderate, federalist-minded elements to replace Lumumba's leftist regime, despite the latter's continued claims to be the only legal government of the Congo. Headed by Senate President Ileo, the cabinet list transmitted by Kasavubu to Secretary General Hammarskjold over the week end names Kalonji as interior minister and Justin Bomboko as

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foreign minister--the post Bomboko held until recently in the Lumumba government. There is evidence that Lumumba's opponents are making strenuous efforts to develop wider support, apparently with a view to reversing at an early date the votes of confidence won last week by Lumumba, after demagogic appeals, in both houses of the Congolese parliament. Kasavubu's group may also attempt to arrest Lumumba in the near future, especially if it becomes convinced it can rely on substantial support from Congolese troops as well as the neutrality of UN forces in the Leopoldville area. The group probably drew encouragement from the firm stand taken on 11 September by Ghanaian troops in the face of an attempt by Lumumba to regain by force control over the UN-guarded Leopoldville radio station.

Bomboko departed for New York on 11 September to speak at the UN in behalf of the proposed Ileo government, and it is possible that representatives of Lumumba's regime may also arrive in time for the Security Council's next meeting on the Congo crisis, now scheduled for the afternoon of 12 September.

Moscow's immediate negative reaction to Hammarskjold's blunt speech of 9 September suggests that the USSR may veto any resolution aimed at strengthening the secretary general's hand in the Congo. Some UN members reportedly are considering the advisability of calling an emergency session of the General Assembly--possible on 24-hour notice--in order to keep the UN in the Congo. Hammarskjold's prestige is still sufficient, particularly among the smaller countries, to command large-scale support from the assembly.

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Dominican Reactions to OAS Sanctions

The Trujillo dictatorship has responded to the OAS diplomatic and economic sanctions in a variety of ways--the most dramatic being the announcement of a mass meeting for 24 September to demonstrate its popular support. Trujillo has often used this device in the past, and his well organized political machine now is reported to be intent on surpassing all previous turn-outs.

The government-controlled Radio Caribe has warned US business men to begin defending Trujillo against US attacks if they wish to continue doing business in his country. Trujillo reportedly said on 29 August that if sanctions are applied against his regime he will seize three large US-owned firms as a first step toward taking over all private US investment in the Dominican Republic--estimated at \$200,000,000. American officials in Ciudad Trujillo see the future of US interests there as "increasingly bleak" as long as Trujillo retains control.

Paraguay is the only OAS member that has still not announced reduction of its embassy to consular level or withdrawn diplomatic representation from the Dominican Republic entirely. Trujillo is also having difficulty in obtaining oil and shipping services. A former high-ranking member of his regime said on 1 September that Trujillo will make arrangements to buy oil from Canada and Near Eastern countries and is already trying to charter the necessary tankers. Foreign Minister Herrera Baez now is visiting Western European countries in an effort to strengthen trade ties and ensure the continuance of European shipping services.

The USSR's demand in the UN Security Council on 6 September that the council endorse the OAS sanctions has resulted in a marked cutback in Radio Caribe's propaganda favorable to Castro and to the Soviet bloc, although its attacks on "US imperialism" continue. A Trujillo opponent has told a US official that the USSR's UN move has, however, strengthened the hand of the pro-Castro faction among the dissidents. Most of the dissidents are pro-US moderates and professional men.

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The Situation in El Salvador

Since early August the four-year-old, mildly reformist regime of Salvadoran President Lemus has been under persistent attack by leftist student and labor elements, many of them pro-Communist and pro-Castro. After a student and labor demonstration on 2 September in which one youth was killed and many people were seriously injured as a result of police action, Lemus on 5 September decreed a 30-day state of siege--El Salvador's first since 1952. The President, himself a military man, took this action under pressure from the officers of the armed forces, who were reportedly considering a coup if he refused.

The state of siege, although removing the immediate threat to the administration, did not halt leftist exploitation of the situation. Despite an appeal for calm by the Archbishop of San Salvador, there was much public indignation over the security police's indiscriminate use of force in the 2 September disorders. A new anti-government demonstration was called for 9 September and there were widespread rumors that a protest general strike was being planned for 15 September--El Salvador's Independence Day.

On 8 September, however, a group of business and civic leaders including the Archbishop met with the President and later with student leaders, and the next day the government made a statement promising an investigation of the responsibility for the violence on 2 September and the release of some of the arrested students. The 9 September mass meeting went off peacefully and with no interference from the police, and student leaders are reported in the press as favorably impressed by the government's "changed attitude."

The US Embassy sees the imminent threat of Lemus' overthrow as removed.

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